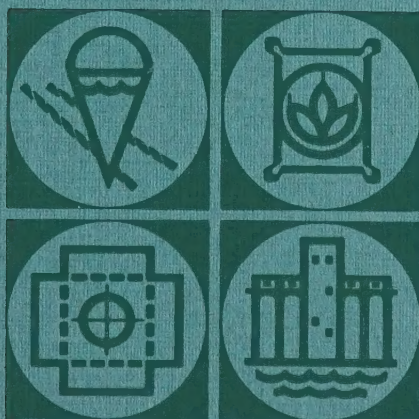


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25th Anniversary

DOVER INDUSTRIES LIMITED

ANNUAL REPORT

1965

25th Anniversary

DOVER INDUSTRIES LIMITED ANNUAL REPORT

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MARCH 31, 1966

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DOVER INDUSTRIES LIMITED

OPERATING

ROBINSON CONE COMPANY

HAMILTON, ONTARIO

WHOLLY-OWNED SUBSIDIARY COMPANIES

CHERRY TAYLOR FLOUR MILLS LIMITED

PRESTON AND CHATHAM DIVISIONS

HOWELL LITHO AND CARTONS LIMITED

HAMILTON AND TORONTO DIVISIONS

TAYLOR GRAIN LIMITED

CHATHAM, ONTARIO



G. M. Summer

D. H. Wyle

OFFICERS AND OFFICERS

President	J. M. Giffney, Jr.
Vice President	J. R. McPhee
Secretary	G. M. Summer
Treasurer	D. H. Wyle
Director	J. M. Giffney, Jr.
Director	J. R. McPhee
Director	G. M. Summer
Director	D. H. Wyle
Director	J. M. Giffney, Jr.
Director	J. R. McPhee
Director	G. M. Summer
Director	D. H. Wyle

Board of Directors



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DOVER INDUSTRIES LIMITED

ROBINSON BANK COMPANY

BRANTFORD, ONTARIO

CHERRY BAKER ALEUR MILLS LIMITED
CHATHAM DIVISION

HOWELL LITHO AND CARTONS LIMITED

TAYLOR CRAN LIMITED

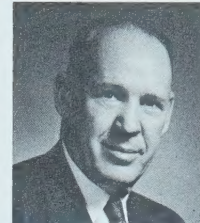
CHATHAM, ONTARIO

https://archive.org/details/Dove2291_1965

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Mrs. J. C. Binnie



H. J. Carmichael



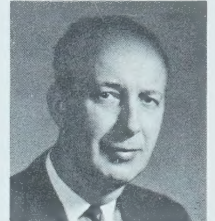
J. M. Godfrey, Q.C.



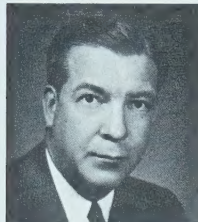
D. M. Hunter



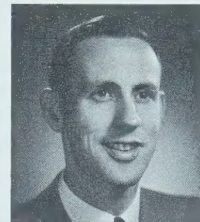
E. C. Labarge



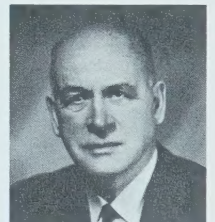
J. R. McPhee



W. H. Pinchin



D. Smith



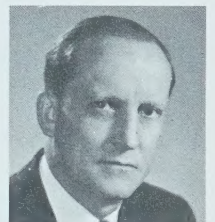
G. M. Sutherland



J. M. Vallance



D. H. Ward



D. H. Wigle

DIRECTORS AND OFFICERS

DIRECTORS

Mrs. J. C. Binnie	H. J. Carmichael	J. M. Godfrey, Q.C.
D. M. Hunter	E. C. Labarge	J. R. McPhee
W. H. Pinchin	D. Smith	G. M. Sutherland
J. M. Vallance	D. H. Ward	D. H. Wigle

OFFICERS OF THE COMPANY

President: Mrs. J. C. Binnie *Vice-President:* G. M. Sutherland
Vice-President: D. M. Hunter *Vice-President:* E. C. Labarge
Secretary-Treasurer: J. R. McPhee

TRANSFER AGENT AND REGISTRAR

CANADA PERMANENT TRUST COMPANY Toronto, Ontario



PRESIDENT'S REPORT

Report to the Shareholders:

Your Directors are pleased to present the 25th Annual Report, the Consolidated Statements and the five year Financial Summary of the Company for the year ended December 31, 1965.

SALES:

Sales for the twelve months are up slightly over the similar period in 1964.

EARNINGS:

The Consolidated Net Profit for the fiscal year was \$358,949. This is up 8% over the previous twelve month period. After provision for Preferred Dividends, this represents earnings of \$2.08 per Common Share.

DIVIDENDS:

Dividends at the rate of 6% per annum, amounting to \$61,576 were paid on Preferred Shares, and \$107,115 or 75c per share were paid during the year on the Common Shares. The Common dividend was raised to 80c per annum on June 1, 1965.

WORKING CAPITAL:

The Working Capital of the Company decreased to \$1,670,418 from \$1,692,247.

CAPITAL EXPENDITURES:

Capital Expenditures for the year amounted to \$521,657. The major items were the building of a new grain elevator at Thamesville, Ontario; and additional elevators and a grain dryer at the Preston Mill.

ICE CREAM CONES AND STRAWS:

The Robinson Cone Company Sales and Operating Profit again showed a substantial increase. The three operations within the Company—Ice Cream Cones, Drinking Straws and Paper Pails have all benefitted from the intensive research into the problems relating to production, packaging, handling and sales, which has been carried out during the past few years.

GRAIN ELEVATORS:

This year's operation of Taylor Grain Limited has proved to be a profitable one. Both the intake and

storage of Grain are up considerably over the previous year, in spite of the poor harvesting conditions of last Summer. The Thamesville Elevator was not fully completed in time for the harvest but even under adverse conditions, was able to handle a large quantity of Grain. The Painscourt Elevator was sold during the year.

FLOUR MILLS:

The Cherry Taylor Flour Mills at Chatham and Preston continue to operate at a high level. Domestic sales are satisfactory and the integration of the two mills has proved to be beneficial. Continued Flour sales to Russia have given the Canadian Milling Industry added impetus and favourably affected the whole of the Canadian Economy.

LITHO AND CARTONS:

Overall volume for Folding Cartons and Set-Up Boxes was up for the year 1965. However, paper litho sales were down. The addition of a new high-speed Gluer in the Hamilton plant helped reduce production costs. The amalgamation of the Toronto and Hamilton plants under one roof, in the near future, will reduce considerably the overhead in this Division.

The adoption of the Canada Pension Plan, along with a revised Company Plan, has been completed. The Directors wish to acknowledge with sincere appreciation the contributions and co-operation of Management and employees during the year.

Respectfully submitted

On behalf of the Board

Mona. M. Binnie

President

Hamilton, Ontario, March 31, 1966

LIABILITIES	1965	1964
CURRENT		
Bank indebtedness	\$ 529,625	\$ 152,540
Accounts payable and accrued charges	382,988	423,718
Income and other taxes payable	162,030	275,262
Dividends payable	15,394	52,211
Funded debt instalment due within one year	36,000	36,000
Total current liabilities	1,126,037	939,731
FUNDED DEBT:		
5% debentures of subsidiary company due February 28, 1975 (requiring sinking fund payments of \$36,000 each on February 28, 1966 to 1974 inclusive) . . .	360,000	396,000
Less instalment due within one year	36,000	36,000
	324,000	360,000
ACCUMULATED TAX REDUCTIONS applicable to future years (note 1) . . .	117,000	
SHAREHOLDERS' EQUITY		
Capital stock—		
Authorized:		
105,000 6% cumulative redeemable preferred shares of the par value of \$10 each (redeemable at par)		
200,000 common shares without par value		
Issued:		
102,626 preferred shares	1,026,260	1,026,260
142,820 common shares	71,750	71,750
	1,098,010	1,098,010
Earned surplus	2,211,150	2,027,274
	3,309,160	3,125,284
	\$4,876,197	\$4,425,015



Dover Industries Limited

Consolidated Statement of Profit and Loss and Earned Surplus

Year ended December 31, 1965 (with comparative figures for year ended December 31, 1964)

PROFIT AND LOSS	1965	1964
Sales	\$12,043,559	\$11,953,159
Operating costs and expenses (including depreciation of \$228,002 in 1965 and \$229,171 in 1964) (note 1)	11,285,620	11,284,854
Profit from operations	757,939	668,305
Profit on disposal of fixed assets	18,310	
	776,249	668,305
Interest on debentures	18,300	20,100
Profit before income taxes	757,949	648,205
Income taxes (note 1)	399,000	317,000
Net profit for year	\$ 358,949	\$ 331,205
EARNED SURPLUS	1965	1964
Balance at beginning of year	\$ 2,027,274	\$ 1,880,154
Net profit for year	358,949	331,205
	2,386,223	2,211,359
Less:		
Dividends declared—		
Preferred:		
Three quarterly dividends of 15¢ each (four in 1964)	46,181	61,576
First quarterly dividend for 1965 declared October 28, 1964 and paid April 1, 1965—15¢ per share		15,394
Common:		
Three quarterly dividends of 20¢ each (four of 15¢ each in 1964)	85,692	85,692
First quarterly dividend for 1965 declared October 28, 1964 and paid March 1, 1965—15¢ per share		21,423
	131,873	184,085
Provision for income taxes of prior years (note 1)	43,200	
	175,073	184,085
Balance at end of year	\$ 2,211,150	\$ 2,027,274



25th Anniversary

Dover Industries Limited

Consolidated Statement of Source and Disposition of Funds Year ended December 31, 1965

SOURCES OF FUNDS:

Operations—		
Net profit for year	358,949	
Charges not requiring cash outlays:		
Depreciation	228,002	
Taxes deferred to future years	73,800	\$ 660,751
Reduction in sundry assets		6,950
		<u>667,701</u>

DISPOSITION OF FUNDS:

New facilities and equipment (net)	521,657	
Dividends to shareholders—		
Quarterly dividends on common and preference shares	116,479	
Dividends on preference shares payable in 1966	15,394	
Purchase of debentures for cancellation	36,000	
	<u>689,530</u>	
		21,829

REDUCTION IN WORKING CAPITAL

Represented by:		
Increase in bank indebtedness	\$377,085	
Less—		
Increases in:		
Accounts receivable	101,341	
Inventories	11,940	
Prepaid expenses	51,196	
Reductions in:		
Accounts payable and accrued liabilities	40,730	
Income and other taxes payable	113,232	
Dividends payable	36,817	355,256
		<u>\$ 21,829</u>

WORKING CAPITAL AT BEGINNING OF YEAR	1,692,247
WORKING CAPITAL AT END OF YEAR	<u>\$1,670,418</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—December 31, 1965

(1) Change in basis of accounting—In 1965 the companies changed the basis for recording depreciation from the diminishing balance method to the straight-line method at rates related to the estimated useful life of the assets. The effect of this change on the net profit for the year was immaterial. The companies also changed the basis of accounting for income taxes to reflect as a deduction from income (in addition to the taxes currently payable) the tax reductions arising from claiming capital cost allowances for tax purposes in excess of recorded depreciation. For 1965, income taxes payable will be less than the current year's provision by \$73,800, due principally to the availability of accelerated capital cost

allowances on facilities acquired during the year. Had this basis been followed in prior years, the provision for income taxes would have been greater by \$43,200 in the aggregate to December 31, 1964 and this amount has been deducted from earned surplus. These amounts, aggregating \$117,000, are included in the balance sheet under the item "Accumulated tax reductions applicable to future years".

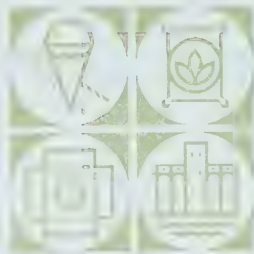
(2) Statutory information—Remuneration received in 1965 by directors of Dover Industries Limited as directors, officers or employees of the company and its subsidiaries amounted to \$73,796.

AUDITORS' REPORT To the Shareholders of Dover Industries Limited:

We have examined the consolidated balance sheet of Dover Industries Limited and its wholly-owned subsidiaries as at December 31, 1965 and the consolidated statements of profit and loss and earned surplus and source and disposition of funds for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. In our opinion the accompanying financial statements present fairly the financial position of the companies as at December 31, 1965 and the results

of their operations and the factors giving rise to the changes in working capital for the year ended on that date, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year except for the changes in basis of providing for depreciation and income taxes (as explained in note 1), with which we concur.

CLARKSON, GORDON & CO. Chartered Accountants.
Hamilton, Canada, February 23, 1966



Dover Industries Limited

Financial Summary 1961 to 1965

EARNINGS AND DIVIDENDS

	1965 (12 MONTHS)	1964 (12 MONTHS)	1963 (15 MONTHS)	1962 (12 MONTHS)	1961 (12 MONTHS)
Income Before Taxes.....	\$ 757,949	\$ 648,205	\$ 685,978	\$ 589,193	\$ 465,675
Income Tax Provision.....	\$ 399,000	317,000	311,500	315,000	249,500
Net Income.....	\$ 358,949	331,205	374,478	274,193	216,175
Net Income per Preferred Share.....	\$ 3.50	3.23	3.65	2.67	2.11
Net Income per Common Share.....	\$ 2.08	1.89	2.08	1.49	1.08
Dividends per Preferred Share.....	\$ 0.60	0.60	0.75	0.60	0.60
Dividends per Common Share.....	\$ 0.75	0.60	0.75	0.60	0.60
Earnings Retained in Business.....	\$ 183,876	147,120	190,393	126,926	68,908

FINANCIAL STATUS

	1965 (12 MONTHS)	1964 (12 MONTHS)	1963 (15 MONTHS)	1962 (12 MONTHS)	1961 (12 MONTHS)
Current Assets.....	\$2,796,455	2,631,978	2,712,759	2,580,963	2,313,373
Current Liabilities.....	\$1,126,037	939,731	1,178,964	1,127,553	1,039,535
Working Capital.....	\$1,670,418	1,692,247	1,533,795	1,453,411	1,273,838
Current Ratio.....	2.5 to 1	2.8 to 1	2.3 to 1	2.3 to 1	2.2 to 1
Plant and Equipment (Net).....	\$1,570,104	1,276,449	1,316,281	1,251,772	1,334,419
Stockholders' Investment (Capital and Surplus).....	\$3,309,160	3,125,284	2,978,164	2,787,770	2,660,845
Common Stock Equity per Share.....	\$ 15.98	14.70	13.67	12.33	11.44
Shares of Preferred Stock Outstanding..	102,626	102,626	102,626	102,626	102,626
Shares of Common Stock Outstanding..	142,820	142,820	142,820	142,820	142,820



Operating Division



Figure 1. Example of a person working on a machine.



Label	Description
1	Control panel
2	Motor
3	Gearbox
4	Shaft
5	Wheel
6	Frame
7	Base
8	Support
9	Adjuster
10	Lock

Label	Description
11	Control panel
12	Motor
13	Gearbox
14	Shaft
15	Wheel
16	Frame
17	Base
18	Support
19	Adjuster
20	Lock

Operating Division



25th Anniversary

Robinson Cone Company

A BRIEF HISTORY

The first cone shaped biscuit was made in Greece in 1876. It was introduced to North America 28 years later at the St. Louis Exposition where it became an immediate success. Within four years, several companies in the United States were thriving, baking round the clock to fill a huge and welcome demand both at home and in Canada.

In 1909, Mr. S. Robinson, founder of the Robinson Cone Company started manufacturing the first Canadian ice cream Cone on hand-operated equipment at Hamilton, Ontario. The quick acceptance of the new, novel and tasty product, led to the designing and construction of the original fully automatic Canadian baking machine. Soon after a large battery of them began producing on a 24 hours schedule.

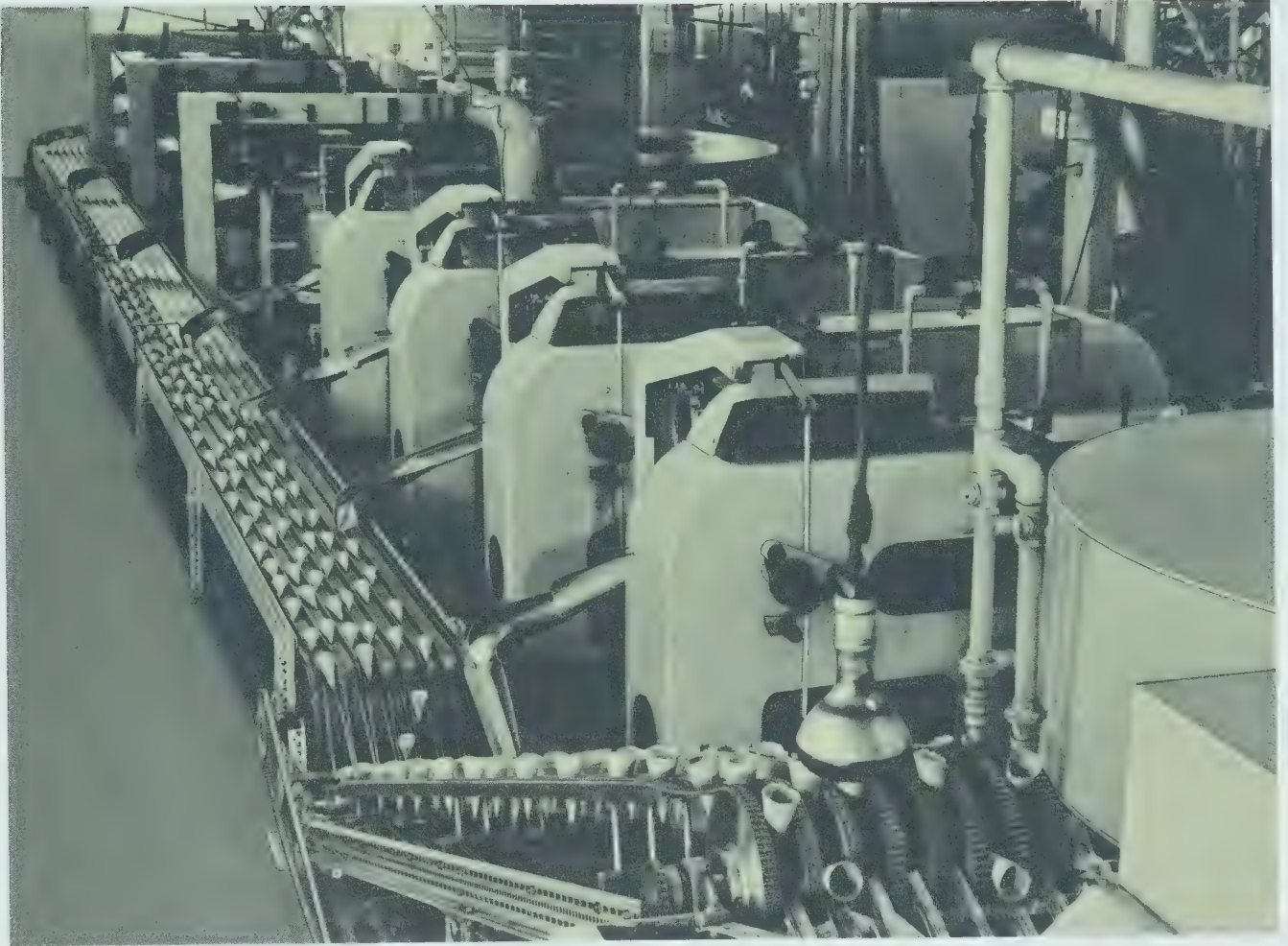
In 1928, the Robinson Cone Company changed hands. Under the new ownership, Mr. F. K. Morrow, father of Mrs. J. C. Binnie, became active in management and helped formulate policies resulting in further expansion. Over the years, leadership in the industry has been retained by keeping pace with the times. Until 1950, the pointed cone was the only product made. Since then, several sizes of flat bottomed biscuit cups have been produced and presently account for a substantial volume in sales. Due to automation, the rolled sugar cone became popular almost overnight as a Drumstick novelty. To fill the sudden demand, several modern baking machines were acquired. The rapid spread of the "self-serve" chainstore was accompanied by the development and successful introduction of a variety of attractive Home Pack lines.



Robinson Cone Company



25th Anniversary





National Endowment for the Arts



Wholly-Owned Subsidiaries



Cherry Taylor Flour Mills Limited

A BRIEF HISTORY

Cherry Taylor Flour Mills Limited is a relatively new name in the flour milling business but the names retain a cherished and historic past. Both mills were established by men of vision and ambition many years ago.

The Cherry mill at Preston was established in 1807 by Joseph Erb. This mill was frame and used mill stones for grinding. In 1879 Samuel J. and John Cherry replaced the mill stones with the then new Hungarian Roller System of Milling. This system with modern refinements is still in use in this and other modern mills. A fire in 1893 destroyed the original mill and the present structure was erected in 1894. The production capacity of the mill has been increased from 200 bags a day to its present 1200. In 1961 new milling machinery was installed to improve the efficiency of the mill and ensure the continued production of a high quality product. It is one of the few mills left in Canada that still uses water power in conjunction with hydro power for its operation.

The Taylor mill at Chatham has a similar history. It was established in 1848 at Dawn Mills, Ontario and moved to Chatham in 1858 to a temporary location. The first mill was built in 1872 and in 1883 they established the Hungarian system of roller milling. The present mill was completed in 1903. In 1957 the mill was completely remodeled. The mills present capacity is 2200 hundred weights a day.

Cherry and Taylor came under the same ownership in 1936 when Mr. F. K. Morrow purchased the Taylor operation. He had owned the Cherry Mill for several years prior to this. In 1940 Cherry's, Taylor's and the Robinson Cone Company came together under Dover Industries.

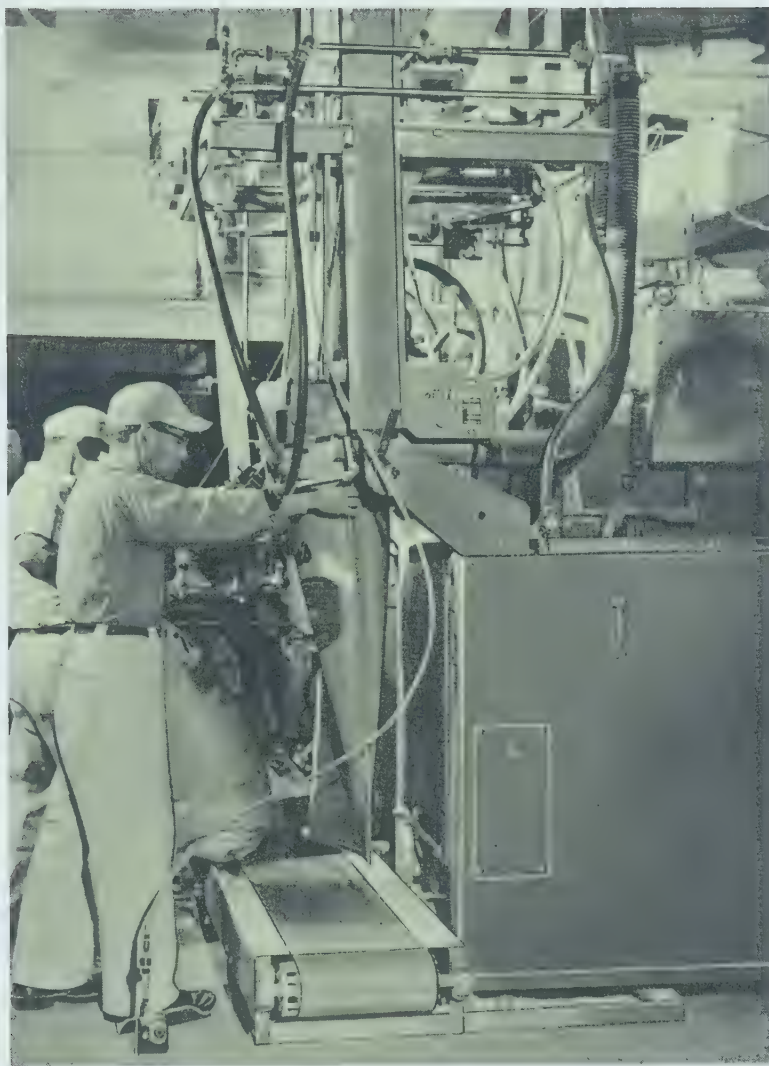


Cherry Taylor Flour Mills Limited



THE CHERRY TAYLOR FLOUR MILLS LIMITED
SHEPHERDSON, ONTARIO
ESTABLISHED 1888

25th Anniversary





Howell Litho and Cartons Limited

A BRIEF HISTORY

The paper boxes, cartons and lithographic operations of Dover Industries Limited are conducted by a wholly-owned subsidiary, Howell Litho & Cartons Limited, which was formed in late 1960 by the financial and administrative merger of three separate operations, namely Robinson Cartons Division, Hamilton, of Robinson Industries Limited, Filey-Hall Paper Box Co. Ltd., Toronto, and the Howell Lithographic Co. Ltd., Hamilton. A history summary of Howell Litho & Cartons Limited follows.

(1) Robinson Cartons Division

Prior to 1956, Dover's only interest in the Paper Box field was through its ownership of Robinson Industries Limited, Hamilton. This Company manufactured folding cartons, first as a supplier to its Ice Cream Cones business and, later, as maker of a wide variety of waxed and other printed (letterpress) cartons for the dairy, meat packing, frozen food industries, and others.

Annual Sales had reached about three-quarters of a million in dollars, before merging assets with the Howell Lithographic Company of Hamilton, early in 1960.

(2) Filey-Hall Paper Box Company Limited

Incorporated in 1913 by an American Manufacturer, Mr. A. D. Shoup, what is now the Toronto Division of Dover operated as The A. D. Shoup Company for thirty-three years, during part of which time it was owned by the Wm. Wrigley Gum Company and latterly by Messrs. W. T. Filey and H. S. Hall along with several key employees. The name was changed

to Filey-Hall Paper Box Company Limited, in late 1947.

In January 1956, Dover purchased all the shares of Filey-Hall Paper Box Company Limited and thus increased its Paper Box making capacity by more than \$1,000,000.00 per year, of which more than \$300,000.00 was in Set-up or rigid boxes. The rest of the business was (and is) in Folding Cartons, specializing in bakery and other food industries along with a wide variety of printed (letterpress) cartons for toiletry, clothing and chain store use.

This Division occupies 40,000 square feet of rented space on two floors of a building, reconstructed in 1946, located at 79 East Don Roadway, Toronto. It also occupies considerable storage space on Queen Street, East, nearby.

The number of employees varies from 75 to 100.

(3) The Howell Lithographic Company Limited

This Company was incorporated in 1887 and until purchased by Dover in March 1960 was owned and operated, first by the late F. J. Howell and then until 1958, by his son-in-law, the late G. W. Wigle. When Howell was brought into the Dover picture, Mr. Wigle's son, Mr. D. H. Wigle was President and General Manager. He has continued as President of the new Company, Howell Litho and Cartons, Limited.

The business is conducted in two, four-storey brick buildings, connected by a passage-way, along with several additions and alterations, to take care of expanding operations. The buildings are owned by the Company and have floor areas totalling more than 100,000 square feet. Except for the additions,

A BRIEF HISTORY

they are quite old, but have been well maintained and have the merit of being located close to Hamilton's downtown area.

The Company does a variety of paper lithographic work (labels, advertising posters, displays, etc.) besides lithographed folding cartons. It was acquired by Dover, primarily to provide lithographic facilities and to substantially add to the total volume of Folding Cartons provided by Robinson and Toronto Divisions.

Hamilton Division of Dover has from 150 to 200 employees, including Staff.

(4) General

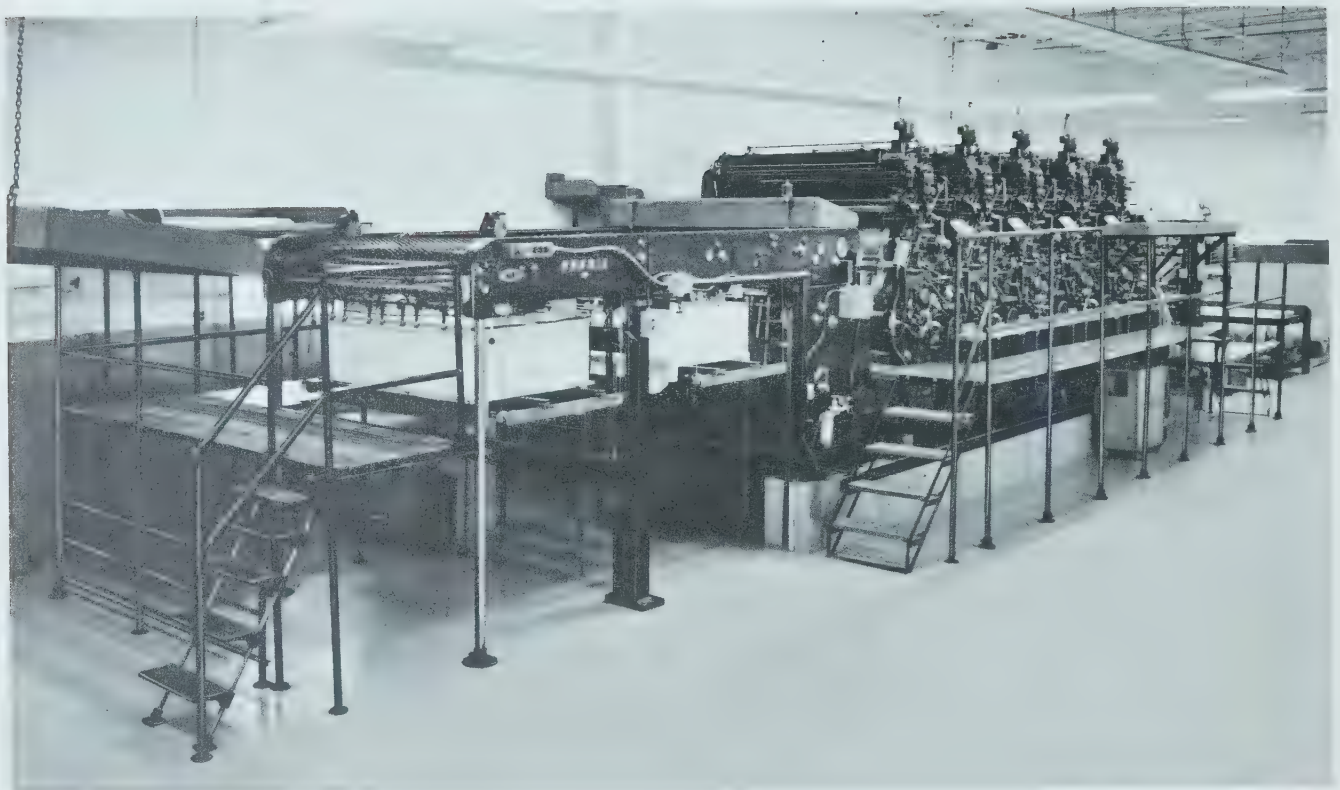
The Robinson and Howell operations have been conducted as one producing Division (Hamilton) of Dover, with Toronto Division a separate operation. Selling and General Administration have been combined and plans are under way for complete consolidation and centralization of all Dover Paper Box operations, including Toronto. The exact location has not yet been selected.

Paper and Paper Box products valued at more than \$4,000,000.00 a year are produced by Dover-owned businesses.

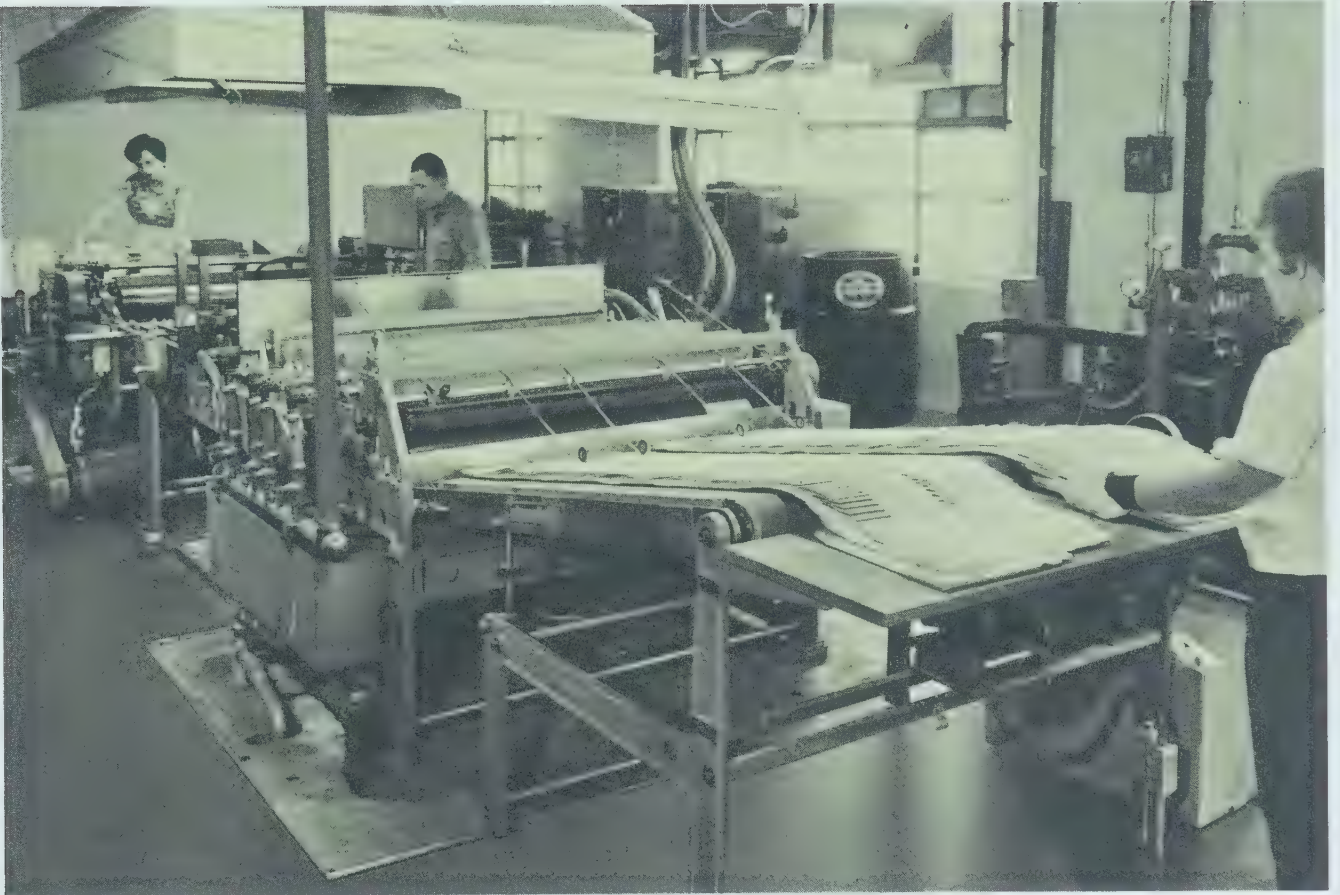




Howell Litho and Cartons Limited



25th Anniversary





Taylor Grain Limited

A BRIEF HISTORY

Taylor Grain Limited was formed from the large grain business which had been set up by The T. H. Taylor Co. Ltd. to assure a continuous supply of wheat for the mill. In the late 1940's and early 1950's, the grain business expanded with corn shellers and grain dryers. The elevators gradually changed from a wheat holding operation to grain handling elevators. Handling wheat, corn and soyabeans became a business of its own and when it was decided to tie the two mills closer together, Taylor Grain Limited was born as a separate Company late in 1964.

This is a view of the grain elevator at Thamesville, one of the most modern in the province. It can handle up to 8000 bushels an hour through double intakes. Loading out facilities are extremely fast and efficient. Drying capacity is 1000 bushels per hour.





Sales and Distribution

Sales and Distribution





25th Anniversary

Dover Industries Limited

Executive Offices: 145 MacNab St. North, Hamilton, Ontario

CONES & STRAWS

ROBINSON CONE

Sales Offices and Warehouses: Hamilton, Ontario • Toronto, Ontario • Montreal, Quebec

Warehouses and Sales Agents: St. John's, Newfoundland • Halifax, Nova Scotia • Saint John, New Brunswick
• Quebec City, Quebec • Sudbury, Ontario • Fort William, Ontario • Winnipeg, Manitoba • Regina
Saskatchewan • Saskatoon, Saskatchewan • Calgary, Alberta • Edmonton, Alberta • Vancouver,
British Columbia • Victoria, British Columbia

FLOUR & GRAIN CHERRY TAYLOR FLOUR MILLS • TAYLOR GRAIN

Direct Sales: Coast to Coast—Canada

Sales Agents: Jamaica, British West Indies • Trinidad, British West Indies • Grenada, British West Indies
St. Lucia, British West Indies • Antigua, British West Indies • Montserrat, British West Indies • St. Vincent,
British West Indies • Dominica, British West Indies • Barbados, British West Indies • Georgetown,
British Guiana • London, England

PAPER BOXES, LABELS & POSTERS HOWELL LITHO & CARTONS

Sales Offices: Toronto, Ontario • Hamilton, Ontario • Montreal, Quebec

Sales Agents: St. John's, Newfoundland • Halifax, Nova Scotia • Saint John, New Brunswick • Quebec
City, Quebec • Vancouver, British Columbia
Jobber distribution coast to coast.



